

Recent Economic Developments

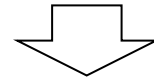
- Monthly Economic Report, October 11 2024 -

Cabinet Office
Government of Japan

<Assessment of the current state of the Japanese economy>

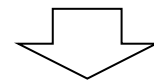
July

The Japanese economy is recovering at a moderate pace, although it recently appears to be pausing.



August

The Japanese economy is recovering at a moderate pace, although it remains pausing in part.



September

The Japanese economy is recovering at a moderate pace, although it remains pausing in part.

(Unchanged since this August)

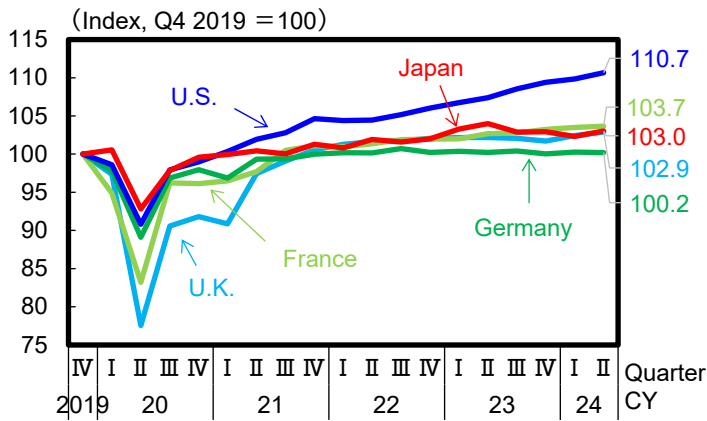
<Assessment of the current state of the Japanese economy>

	July	August	September
Private consumption	Private consumption appears to be pausing for picking up.	Private consumption shows movements of picking up recently, although it remains pausing in part.(↑)	Unchanged
Business investment	Business investment shows movements of picking up.	Unchanged	Unchanged
Exports	Exports are almost flat.	Unchanged	Unchanged
Industrial production	Industrial production shows movements of picking up recently.	Unchanged	Industrial production shows movements of picking up.(→)
Corporate profits	Corporate profits are improving as a whole.	Unchanged	Unchanged
Firms' judgments on business conditions	Firms' judgments on current business conditions are improving.	Unchanged	Unchanged
Employment situation	The employment situation shows movements of improvement.	Unchanged	Unchanged
Prices	Consumer prices have been rising moderately.	Unchanged	Unchanged

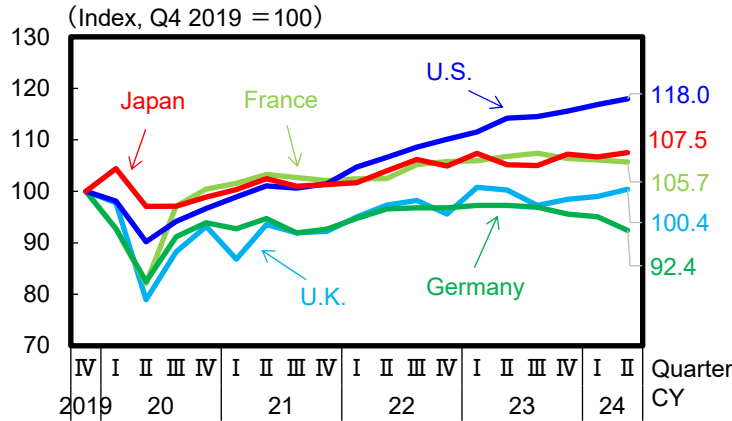
Note: ↑ denotes upward revision and ↓ denotes downward revision.

1. Post-Covid Economic Trends in Major Developed Countries

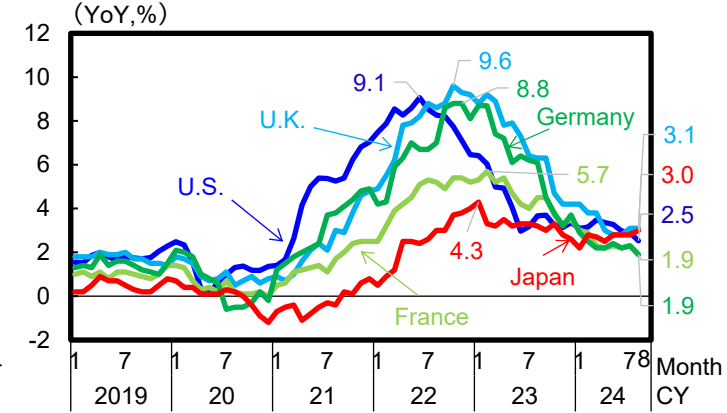
(1-1) Real GDP



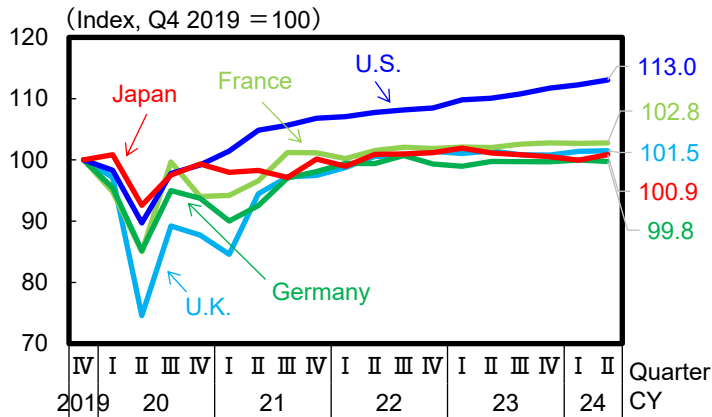
(1-3) Capital investment



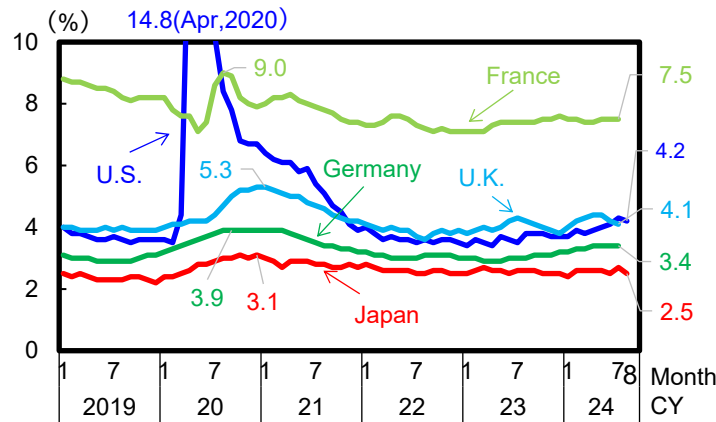
(1-5) CPI (All items)



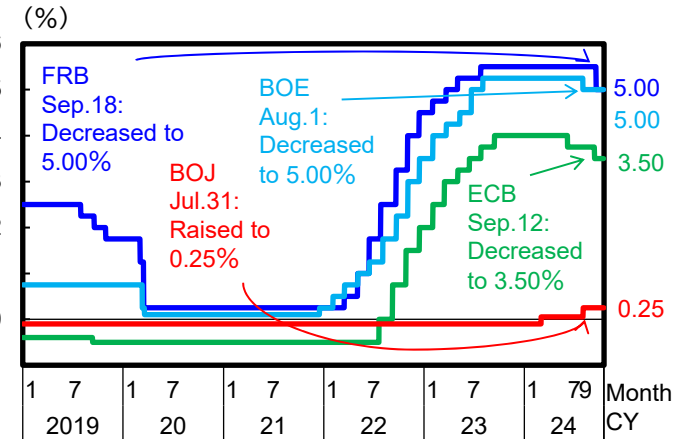
(1-2) Private consumption



(1-4) Unemployment rates



(1-6) Policy interest rates

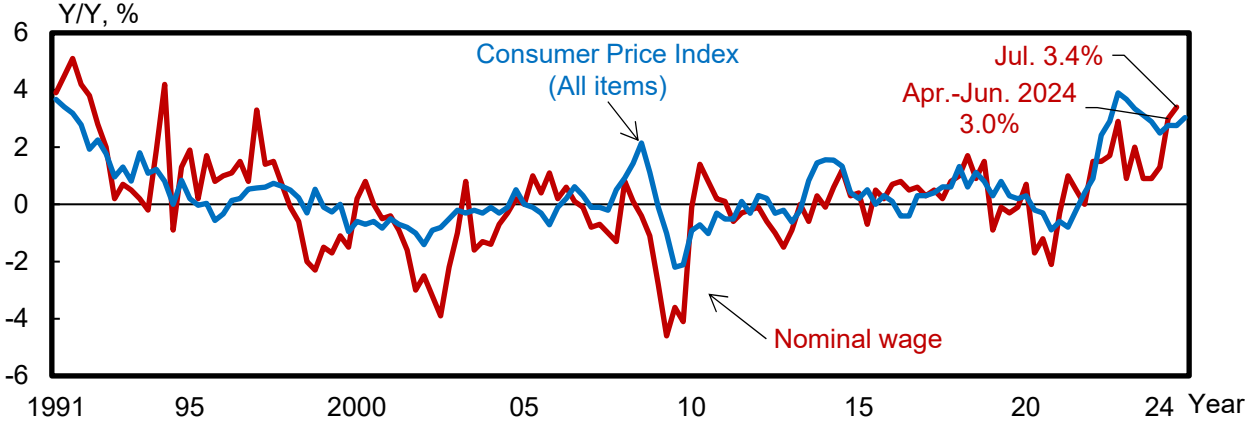


Source (1-1, 2, 3) Cabinet office, U.S. Department of Commerce, U.K. Office for National Statistics, Federal Statistical Office of Germany, and INSEE. (1-4) Ministry of Internal Affairs and Communications, U.S. Department of Labor, Eurostat, and U.K. Office for National Statistics. (1-5) Ministry of Internal Affairs and Communications, U.S. Department of labor, U.K. Office for National Statistics, Federal Statistical Office of Germany, and INSEE. (1-6) BOJ, FRB, BOE, and ECB.

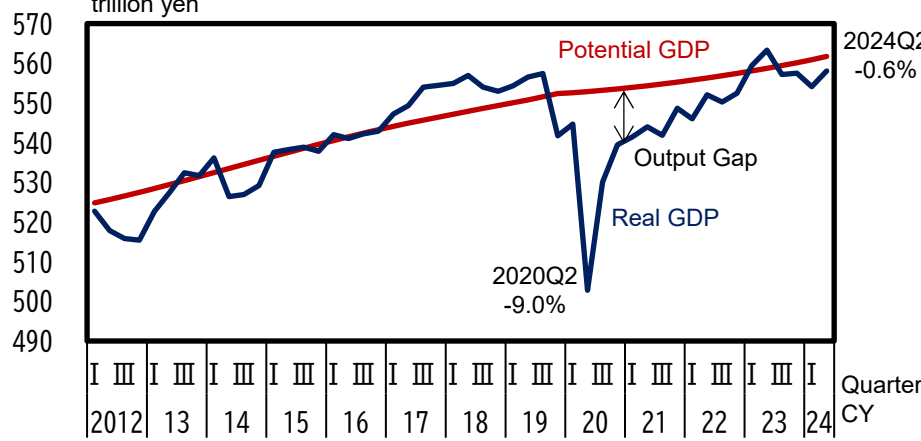
Note (1-1,2,3,4) Seasonally adjusted. (1-3) The values for Japan, U.S. and U.K. refer to private non-residential investment. The value for Germany refers to non-residential investment by non-governmental sectors. The value for France refers to gross fixed capital formation by corporations (non-residential investment and residential investment). (1-5) CPI includes the owner's equivalent rent. (1-6) The deposit facility rate is used as the policy interest rate for the Euro Area.

2. Changes in the Japanese Economy and Future Challenges

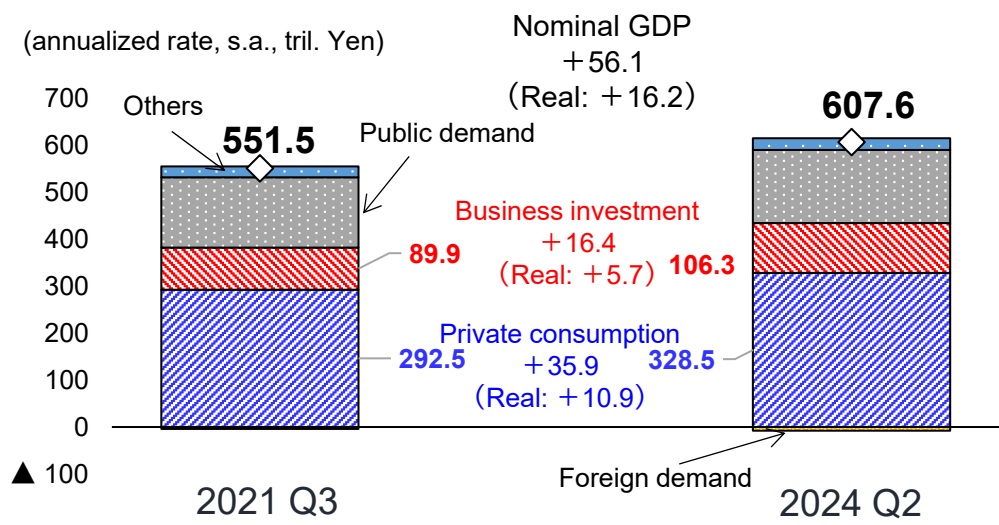
(2-1) Nominal Wage and Consumer Price Index growth



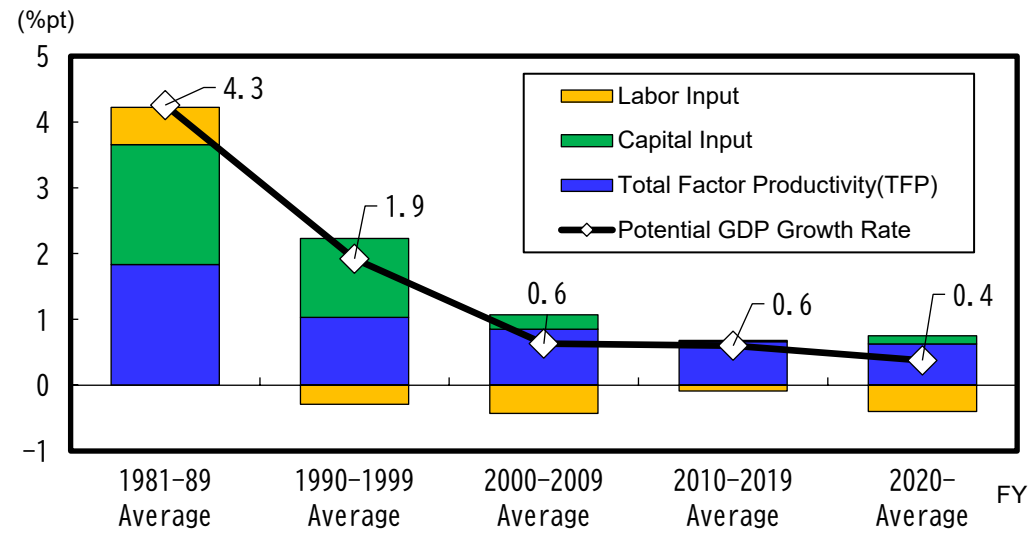
(2-3) Potential GDP and Real GDP



(2-2) Nominal GDP Growth



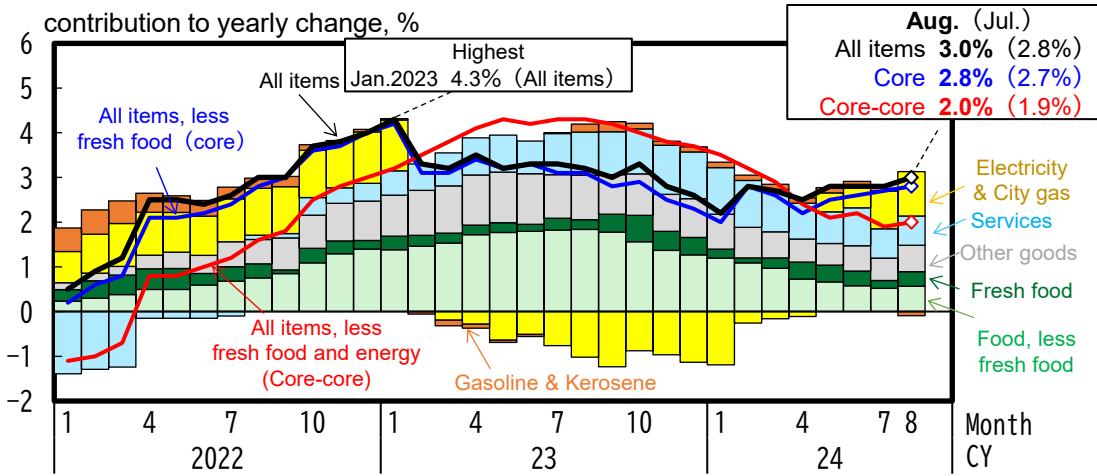
(2-4) Potential Output Growth Rate in Japan



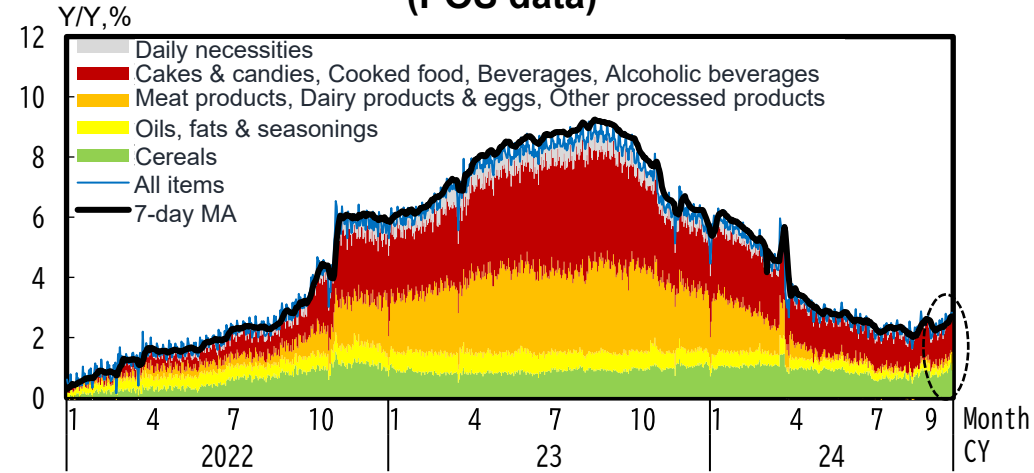
Source: Ministry of Health, Labour and Welfare; Cabinet Office
 Note: (figure upper left) The Y/Y change in the Consumer Price Index is based on excluding the impact of the consumption tax rate hike.

3. Prices

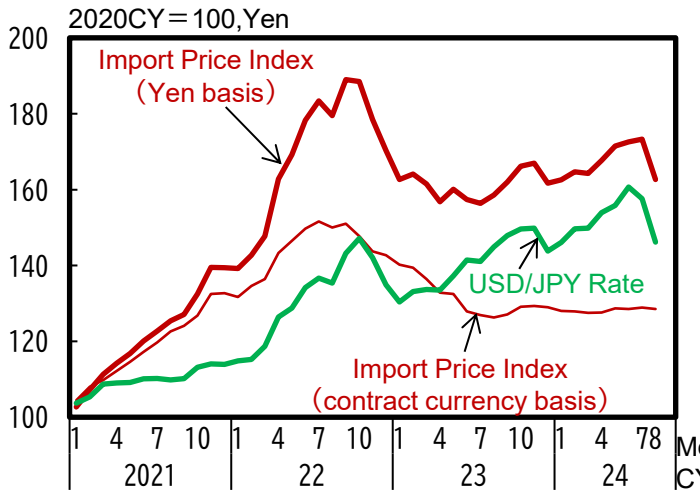
(3-1) Consumer Price Index



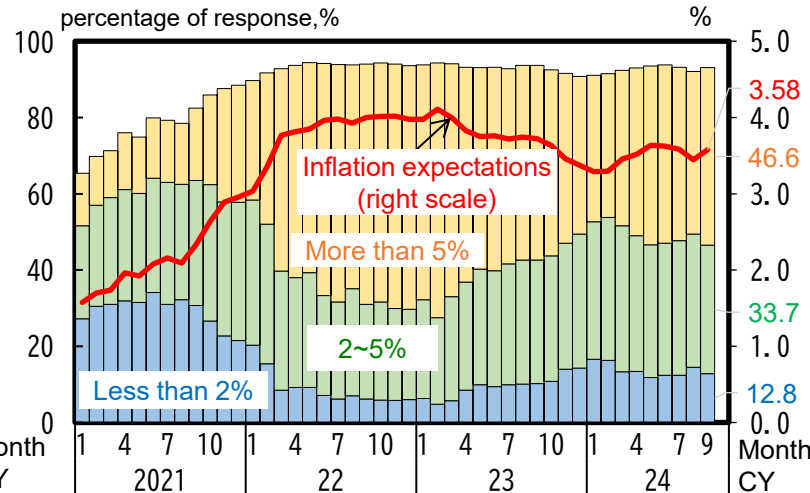
(3-4) Prices of daily commodities and food products (POS data)



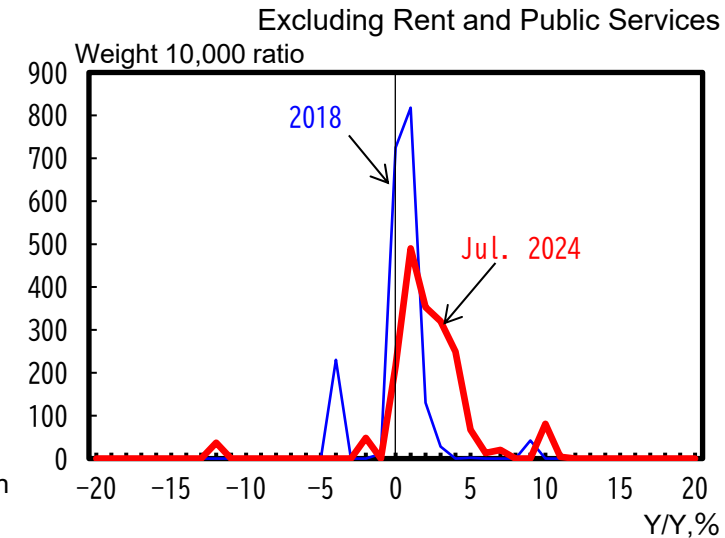
(3-2) Import Price Index and Exchange rate



(3-3) Price expectations a year ahead



(3-5) Distribution of the rate of increase in Consumer Price (Services)



Source: : Ministry of Internal Affairs and Communications; Cabinet Office; Bank of Japan; Bloomberg; Nowcast Inc.

Note : : (4-3) The expected price increase rate for the broken line is based on the price expectations a year ahead for "goods frequently purchased" in the same survey and is calculated as a weighted average of the percentages of households that responded, "less than 2%," "2% to less than 5%," and "5% or more," respectively, for both "go up" and "go down". The values are calculated as a weighted average of the percentage of households that responded to each question.